

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
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In the Matter of)	CC Docket No. 97-140
)	
Bell Atlantic Telephone Companies)	Transmittal No. 1004
Revisions to Tariff F.C.C. No. 1)	
)	
Local Exchange Carriers)	
Payphone Functions and Features)	
)	
Bell Atlantic Telephone Companies)	Transmittal Nos. 962 and 966
Revisions to Tariff F.C.C. No. 1)	
)	
GTE System Telephone Companies)	Transmittal No. 206
Revisions to Tariff F.C.C. No. 1)	
)	
GTE Telephone Operating Companies)	Transmittal No. 1095
Revisions to Tariff F.C.C. No. 1)	
)	

COMMENTS OF THE AMERICAN PUBLIC COMMUNICATIONS COUNCIL

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October 10, 1997

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COMMENTS OF THE AMERICAN PUBLIC COMMUNICATIONS COUNCIL

The American Public Communications Council ("APCC") submits the following comments on Bell Atlantic's Transmittal No. 1004, filed October 8, 1997. Bell Atlantic is proposing to substantially reduce its federally tariffed rates for unbundled payphone features. Bell Atlantic proposes to eliminate all recurring charges for Outgoing Call Screening and Incoming/Outgoing Call Screening, features of particular importance to payphone providers.¹ For three other features -- Inward Call Blocking, Outward Call

¹ Outgoing call screening provides carriers with important information that prevents the fraudulent billing of operator assisted payphone calls to the originating
(Footnote continued)

Blocking, and Pay Telephone Line Side Answer Supervision -- Bell Atlantic proposes to reduce the recurring charges to \$.05/month, \$.15/month, and \$.15/month respectively.

For the reasons stated below, APCC is not requesting investigation of these tariff revisions. APCC believes it would be appropriate for the Commission to simply allow the subject tariff revisions to take effect, without making any affirmative findings. Since the tariff revisions substantially reduce the rates that are currently under investigation, it seems reasonable to allow them to take effect (provided they are not challenged by other parties) and to terminate the existing investigation of Bell Atlantic's previously filed rates, without the necessity for any findings on the reasonableness of either the old or new rates. However, in the event that the Commission concludes it is necessary to affirmatively determine the reasonableness of the newly filed rates, APCC urges the Commission to expressly condition its ruling as discussed below.

APCC believes that the elimination of charges for the most commonly used payphone features (outward and inward call screening) and the substantial reduction in charges for the other features under review are in the public interest because these rate reductions provide major cost savings for payphone providers. We note, however, that,

(Footnote continued)

payphone line. In addition, the automatic number identification indicator provided with outgoing call screening is of special importance because it is necessary in order for payphone providers to qualify for payphone compensation. Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, Report and Order, FCC 96-388, released September 20, 1996 ("Payphone Order"), Order on Reconsideration, FCC 96-439, released November 8, 1996 ("Reconsideration Order"); Order, DA 97-678, released April 4, 1997 (CCB) ("Clarification Order").

even after the rate reductions the proposed rates for blocking and answer supervision features represent unusually large percentage allocations of overhead to these services -- 170% (rate-to-cost ratio of 2.7), 120% (rate-to-cost ratio of 2.2), and 240% (rate-to-cost ratio of 3.4). In other contexts, ratios of this magnitude have been found unreasonable. Open Network Architecture Tariffs of Bell Operating Companies, 9 FCC Rcd 440, 458, 480 (1993)(finding that U S West's 2.34 ratio of total costs to direct costs for certain ONA features was excessive).

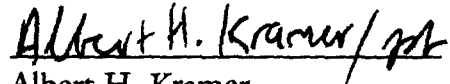
In the present context, the rates for the payphone features involved are so low as to be de minimis in relation to the overall network service charges assessed on payphone providers. Because the magnitude of the rates themselves is de minimis, the overhead allocations are acceptable in the particular context of these very low rates for virtually costless features, even though they would be clearly unreasonable in another context such as review of line and local usage rates, where the cost and rates involved are much larger in absolute terms.

For the foregoing reasons, APCC does not oppose Commission approval of Bell Atlantic's rate reductions. However, the Commission should make clear that any finding that the overhead allocations involved are reasonable is made in the context of these particular features involving rates and costs that are very low in absolute terms (and in

relation to other LEC services used by payphone providers), and that the same overhead allocations would not necessarily be found reasonable in other contexts involving higher overall levels of rates and costs.

Dated: October 10, 1997

Respectfully submitted,



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Certificate of Service

I hereby certify that on October 10, 1997, a copy of the foregoing Comments
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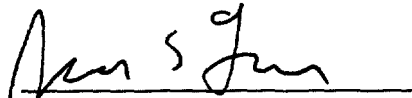
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